

Mill to give Fitchburg shot in arm

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MIFA OKs \$191.5M

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FITCHBURG — A paper mill that has symbolized the city's heyday as an industrial center and the devastating loss of manufacturing is set to return to life with a \$191.5 million investment and hundreds of temporary and permanent jobs.

The Massachusetts Industrial Finance Agency announced yesterday it has issued \$191.5 million in tax-exempt bonds to finance what it said will be the largest wastepaper recycling plant in the Northeast.

MIFA spokeswoman Beth Brown said the project, the fourth-biggest ever financed by the state agency, is expected to create 500 construction jobs, more than 100 permanent jobs at the former James River Corp. mill and indirectly about 1,000 jobs in the area.

The recycling plant's cost approaches the \$200 million tab of Worcester's proposed Medical City, a downtown project of the Fallon Healthcare System, which is being financed by \$160 million in private money and \$40 million from Worcester and the state.

"This is a big story," said Michael A. Lanava, executive director of the Fitchburg Industrial Development Commission. "This is a tremendous investment. This is probably the single largest investment in the history of the city of Fitchburg."

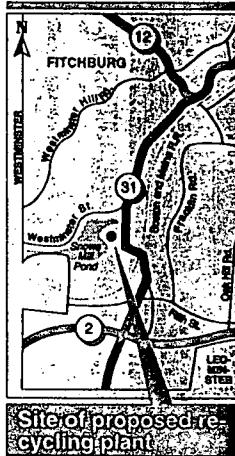
The MIFA bonds were issued Sept. 2 to the Massachusetts Recycling Associates Limited Partnership of Fitchburg. The partnership's general partner, Northeast Recycling Associates Corp., is affiliated with the Intercontinental Energy Group of Hingham, which began its effort to convert the former James River mill into a recycling plant last year.

RECYCLE OFFICE PAPER

The mill, which manufactured paper under several owners from 1909 until it was closed by James River in 1990, will recycle office wastepaper into pulp suitable for use in the production of printing and writing-grade paper. Once completed, the plant will be capable of processing about 220,000 tons of office wastepaper annually.

"The completion of this project paves the way for jump-starting environmental industries across the state," Trudy Cox, state environmental affairs secretary, said in a news release.

Lanava said activity is expected to start within 40 days on the 750-acre paper mill site at 701 Westminster St. and the construction and renovation phase of the



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project will take 18 months.

While the recycling plant won't single-handedly restore the economy of Fitchburg's heyday as an industrial city, he said, it will offer a psychological boost for residents and support for a variety of small businesses.

"I think it's a win-win for the city, for the state and the environment," Lanava said. "We're talking about millions of dollars being spent here in renovation. We're confident that lots of folks here in this area are going to be getting these construction jobs, the permanent jobs and the spinoff effects."

HARD-HIT

Like other older industrial cities in the Northeast, Fitchburg has been hard-hit economically and socially for decades by the loss of industries and manufacturing jobs with good pay.

The James River plant was once the largest paper mill in Massachusetts and produced 400 tons of paper per day with a peak employment of 800 workers. But by 1990, James River said the plant was no longer profitable, while workers accused James River of milking the mill's profits without reinvesting in more modern equipment.

The end came in May 1990 when James River said it was unable to sell the plant. Eighty remaining workers were laid off and turned to retraining programs in hopes of finding new jobs in a depressed economy.

Brown said Northeast Recycling has 20-year contracts for a supply of wastepaper from the Newark Group Inc. of Cranford, N.J., and to sell the recycled pulp to Central National-Gottesman Inc. of Purchase, N.Y.

"As far as the market goes for the product, they are set," she said.



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